

EXHIBIT C-1

Sales Tax Reimbursement Form

NOTICE ON REIMBURSEMENT FOR SALES AND USE TAXES

For purposes of this section, the phrase "Sales Taxes" means sales and use taxes paid to the State of North Carolina or to local governments in North Carolina.

The City is entitled to refunds from the State of North Carolina of certain Sales Taxes. If the person, firm, or corporation (referred to as the Contractor) that performs under the contract with the City pays Sales Taxes, and those are Sales Taxes for which the State will grant a refund to the City, the Contractor is allowed to obtain reimbursement from the City by following these instructions. The City will reimburse the Contractor, and the City later obtains a refund from the State.

1. What Sales Taxes are to be excluded from dollar amounts of a bid or proposal? Reimbursable Sales Taxes as described below are to be excluded from bids and proposals -- whether in lump sum amounts, units prices, extensions, or otherwise.

2. What Sales Taxes are reimbursable? The rule is that Sales Taxes are reimbursable if they are paid on purchases of building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the City and is being erected, altered, or repaired for use by the City.

Under that rule, City infrastructure (streets, sidewalks, sewer and water lines and pipes, etc.) is generally held to be "structure" so as to allow reimbursement for Sales Taxes paid on materials and fixtures that become a part of or are annexed to it. Examples of taxes that **cannot** be reimbursed are taxes paid for

scaffolding, tools, equipment repair parts, equipment rentals, forms for concrete, or fuel to operate machinery or equipment.

3. How is a Contractor to be reimbursed for Sales Taxes? The Contractor must complete and submit the Reimbursable Sales and Use Tax Statement form in the contract documents. The Contractor shall also provide invoices to substantiate the information on that form. If the State refuses to refund any such Sales Tax to the City, or if after a refund is made, the City is told to return a refund to the State (both types referred to as "failed refunds"), the Contractor shall upon demand repay the City for the amount of the failed refunds.

4. When is a Contractor allowed to seek reimbursement? The Contractor may seek reimbursement separately from, but at the same time as, the application for payment is made for the properties that were taxed. The Contractor shall not file for reimbursement for Sales Taxes before the Contractor has the right to file an application for payment for the properties that were taxed.

5. How are Sales Taxes paid by a subcontractor handled? The form titled "Reimbursable Sales and Use Tax Statement by Subcontractor" is used. The subcontractor completes and signs that form for its purchases, and then gives the form to the Contractor. The Contractor submits it along with the Contractor's pay application for the properties listed on that form. The City will make the reimbursement payable to the Contractor.

Except for those differences, the answers to all the questions on this page still apply whether the Subcontractor or the Contractor completes and signs the form.

RW 030404

Reimbursable Sales and Use Tax Statement

Payment Application No. _____ Estimate No. _____
 Name of Contractor: _____
 Project: _____

1. Type of property purchased *	2. Date property purchased	3. Name of vendor	4. Invoice number	5. Date of invoice	6. N. C. county in which purchased. **	7. Amount of State sales and use taxes paid	8. Amount of local sales and use taxes paid	9. Total of columns 7 & 8

Grand totals of columns 7, 8, & 9 for all pages of this pay application/estimate. //////////////////////////////////////			
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Notes: * If the invoice clearly specifies the property for which tax reimbursement is being requested, you need not list the property on this form.
 ** In column 6, if not purchased in N. C., write *Not in N.C.*

Add extra pages as needed. Total number of pages, including this page, in this request: _____. **Do not include invoices in that page count. In addition to the pages referred to above, invoices that substantiate this statement are attached.**

CERTIFICATION: The undersigned individual certifies (1) he or she is an employee or principal of the Contractor that is filing this form with the City to request reimbursement for N. C. State and local sales and use taxes that the Contractor has paid, (2) all of the properties listed above, and on all pages, if any, added to this page, and designated on the attached invoices, are building materials, supplies, fixtures, and equipment that have become or will become a part of or annexed to a building or structure that is owned or leased by the City of Durham and is being erected, altered, or repaired for use by the City of Durham in the project named above, (3) no tax on scaffolding, tools, equipment repair parts, equipment rentals, forms for concrete, or fuel to operate machinery or equipment is included, and (4) all of the information on this form, and on all pages, if any, added to this page, is true.

 signature of individual
 Sworn to and subscribed before me, this ____ day of _____, 20____.

 typed or printed name of individual

My commission expires:

022304RW Notary Public

Reimbursable Sales and Use Tax Statement, Continuation page

[illegible]

Enter totals of columns 7, 8, and 9, added to totals from all pages, into page 1. This page is used whether page 1 is signed by the Contractor or the Subcontractor.
022304RW

Reimbursable Sales and Use Tax Statement by Subcontractor

This line is to be completed by the Contractor: **Payment Application No.** _____ **Estimate No.** _____

Name of Contractor: _____ **Name of Subcontractor** _____

Project: _____

1. Type of property purchased *	2. Date property purchased	3. Name of vendor	4. Invoice number	5. Date of invoice	6. N. C. county in which purchased.**	7. Amount of State sales and use taxes paid	8. Amount of local sales and use taxes paid	9. Total of columns 7 & 8

Grand totals of columns 7, 8, & 9 for all pages of this pay application/estimate. //			
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Notes: * If the invoice clearly specifies the property for which tax reimbursement is being requested, you need not list the property on this form.

** In column 6, if not purchased in N. C., write *Not in N.C.*

Add extra pages as needed. Total number of pages, including this page, in this request: _____. **Do not include invoices in that page count. In addition to the pages referred to above, invoices that substantiate this statement are attached.**

CERTIFICATION: The undersigned individual certifies (1) he or she is an employee or principal of the Subcontractor that is submitting this form with the Contractor so that the Contractor may request reimbursement for N. C. State and local sales and use taxes that the Subcontractor has paid, (2) all of the properties listed above, and on all pages, if any, added to this page, and designated on the attached invoices, are building materials, supplies, fixtures, and equipment that have become or will become a part of or annexed to a building or structure that is owned or leased by the City of Durham and is being erected, altered, or repaired for use by the City of Durham in the project named above, (3) no tax on scaffolding, tools, equipment repair parts, equipment rentals, forms for concrete, or fuel to operate machinery or equipment is included, and (4) all of the information on this form, and on all pages, if any, added to this page, is true.

signature of individual
Sworn to and subscribed before me, this ____ day of _____, 20____.

typed or printed name of individual

My commission expires:

022304RW Notary Public